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FM AMEMBASSY SARAJEVO  
TO SECSTATE WASHDC 9232  
INFO AMEMBASSY PRISTINA  
AMEMBASSY PODGORICA  
AMEMBASSY ZAGREB  
AMEMBASSY BELGRADE  
AMEMBASSY LJUBLJANA  
AMEMBASSY SKOPJE  
AMEMBASSY ROME  
AMEMBASSY VIENNA  
NVC PORTSMOUTH 0015

UNCLAS SARAJEVO 001715

DEPT FOR CA/EX, CA/FPP, CA/VO, AND EUR/SCE (MIKE FOOKS); DEPT ALSO  
PASS TO KCC; POSTS FOR FRAUD PREVENTION MANAGERS; VIENNA FOR DHS  
MARLA BELVEDERE

E.O. 12958: N/A

TAGS: [KFRD](#) [CVIS](#) [CMGT](#) [CPAS](#) [ASEC](#) [BK](#)

SUBJECT: THE KLDUSA CONUNDRUM, AN FPU VISIT TO BOSNIA'S ENIGMATIC  
NORTHWEST PROVINCE

11. [Summary] The Sarajevo Fraud Prevention Unit (FPU) traveled to Bosnia and Herzegovina's (BiH) most isolated province to discover why we see such a disproportionate number of visa applicants from the northwestern towns of Bihac and Velika Kladusa. The FPU also wanted to address long held suspicions of immigrant intent and false documents from Velika Kladusa. The October 22 to 24 excursion was the first in a number of field visits the FPU will be reporting on in the coming months. [End summary]

12. The Sarajevo FPU has commenced a series of visits to regions within Bosnia and Herzegovina in order to improve our knowledgebase about areas where we suspect higher instances of fraud, or otherwise have little background information. From October 22 to 24, the FPU made the first such visit to the krajina "frontier" region of Bihac and Velika Kladusa. Both the NIV and IV units see a disproportionate number of visa applicants from this region. After centuries of isolation, difficult political dealings with the capital, and economic crisis, the FPU as amazed to arrive in a region full of well manured farms and brightly painted and newly renovated homes. Velika Kladusa presented a stark contrast between the bleak economic outlook of the region and the picturesque life of the locals, a result of substantial remittances. An estimated 15,000 (from a population of 52,000) live and work abroad in Germany and the United States. On the other hand, the last twenty years was brutal to the local economy, witnessing the sharp decline of the area's two major employers-Agrokomerc and Saniteks. The country side is littered with empty and decaying commercial farming facilities of the once proud agro business, and Saniteks' 400 some employees are making far below their peers in the Federation of Bosnia and Herzegovina.

13. FPU has long felt it necessary to carefully check the validity of documents originating from Velika Kladusa. All facets of the local government are controlled by the political party DNZ (Democratic National Committee), which is unique to that area. As a result, the FPU is not confident that the usual checks and oversight for document issuance are adhered to. In meetings with the municipality administration, FPU learned more about how the local government is improving the quality of their document-issuance services through the USAID-sponsored GAP project, but FPU reservations regarding potential vulnerabilities from that municipality remain.

14. CIPS (Citizen Information Protection System) employees in Velika Kladusa, which work closely with the police, confirmed to FPU that they do not have a policy in place for verifying the credibility of public documents (Birth, Marriage and Death Certificates) issued by the municipality registrars used for further issuance of BiH ID's and passports. Furthermore, they admitted that oversight and controls from regional HQ's in Banja Luka and Sarajevo practically do not exist. FPU also performed random checks of previously submitted documents at several smaller municipal registrars throughout the province which underlined our seriousness in ensuring

the viability of public documents to the local authorities.

¶5. In meetings with the municipal court, FPU further established that our concerns regarding the usefulness of BiH Court Clearance Documents used for U.S. Immigrant Visas are credible. FPU found that BiH court certificates only reflect criminal-related cases for the single municipality in question only. This means that court certificates are not nation wide, and do not address civil suits. The Consular Section has initiated discussions with Department of Justice office in Sarajevo along with court and police contacts in search of a viable alternative.

¶6. The FPU also supported other mission goals by touring Public Affairs' American Corner in Bihac and met with the Corner director and the English Language Fellow currently placed in Bihac who teaches at the Islamic Madrasa in Cazin. FPU took advantage of the opportunity to promote student travel programs and exchanges with a representative of Bihac University.

¶7. The field trip enabled our FPU section to establish relationships and contacts with relevant institutions and departments in the Bihac/Velika Kladusa region. Our fraud investigation capability should therefore be enhanced. Additionally, the first-hand view of the economic landscape exposed our staff to conditions in an isolated region far from the capital, and will assist us in better evaluating non-immigrant visa requests from this part of Bosnia and Herzegovina.

ENGLISH